

PERIODIC REPORT ON THE NATIONAL EMERGENCY
WITH RESPECT TO SIERRA LEONE AND LIBERIA

COMMUNICATION

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

SIX MONTH PERIODIC REPORT ON THE NATIONAL EMERGENCY
WITH RESPECT TO SIERRA LEONE AND LIBERIA THAT WAS DE-
CLARED IN EXECUTIVE ORDER 13194, OF JANUARY 18, 2001 AND
EXPANDED IN SCOPE IN EXECUTIVE ORDER 13213, OF MAY 22,
2001, PURSUANT TO 50 U.S.C. 1641(c) AND 50 U.S.C. 1703(c)



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THE WHITE HOUSE,
Washington, July 29, 2003.

Hon. J. DENNIS HASTERT,
Speaker of the House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Consistent with section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c), I am transmitting a 6-month periodic report prepared by my Administration on the national emergency declared with respect to Sierra Leone and Liberia in Executive Order 13194 of January 18, 2001, as expanded in scope in Executive Order 13213 of May 22, 2001.

Sincerely,

GEORGE W. BUSH.

PERIODIC REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO
SIERRA LEONE AND LIBERIA

This report to the Congress concerns developments over the course of the past 6 months on the national emergency declared in Executive Order 13194 of January 18, 2001, in response to the actions and policies of the insurgent Revolutionary United Front (“RUF”) in Sierra Leone and pursuant to which the United States imposed a general ban on the direct and indirect importation into the United States of all rough diamonds from Sierra Leone, except those imports controlled through the Certificate of Origin regime of the Government of Sierra Leone. On May 22, 2001, I issued Executive Order 13213, which expanded the scope of that national emergency to include actions of the Government of Liberia in support of the RUF and prohibited the importation of all rough diamonds from Liberia. This report is submitted pursuant to section 204(c) of the International Emergency Economic Powers Act, 50 U.S.C. 1703(c) and section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c).

1. Representatives of the United States and 47 other countries, including Sierra Leone, announced in the Interlaken Declaration of November 5, 2002, the launch of the Kimberley Process Certification Scheme for rough diamonds (the “KPCS”). Countries participating in the scheme are expected to prohibit the importation of rough diamonds from, or the exportation of rough diamonds to, non-participants and to require that shipments of rough diamonds from or to participating countries be controlled through the KPCS.

In a related development, the United Nations ban against the importation of rough diamonds from Sierra Leone without a certificate of origin, imposed by United Nations Security Council Resolution (“UNSCR”) 1306 (2000) and renewed by UNSCR 1446 (2002), expired on June 4, 2003. The United Nations Security Council decided not to renew the measure in light of the Government of Sierra Leone’s increased efforts to control and manage its diamond industry and ensure proper control over diamond mining areas, as well as the Government’s full participation in the KPCS. Although the hostilities fueled by and funded with conflict diamonds have ceased in Sierra Leone, the attendant peace and stability are tentative, fragile, and jeopardized by ongoing illicit diamond production and smuggling. In addition, the Security Council through UNSCR 1478 of May 6, 2003, renewed for one year the absolute import ban on rough diamonds from Liberia on evidence that Liberia continues to breach the measures imposed by UNSCR 1343 (2001).

On April 25, 2003, I signed the Clean Diamond Trade Act (Pub. L. 108–19) (the “Act”), which authorizes the President to take steps to implement the KPCS in the United States. The Act provides that, subject to certain waiver authorities, the President shall pro-

hibit, when the Act is in effect, the importation into, or exportation from, the United States of any rough diamond, from whatever source, that has not been controlled through the KPCS.

Recently, I have issued an Executive Order to implement the Act. In addition, my Executive Order amends Executive Orders 13194 and 13213 to harmonize those orders with the Act and to reflect recent developments in Sierra Leone and Liberia. The Executive Order puts in place, as of July 30, 2003, the prohibitions of the Act described above. The Department of the Treasury's Office of Foreign Assets Control ("OFAC") will issue implementing regulations to carry out the purposes of my Executive Order.

2. In the 6-month period since January 18, 2003, OFAC has not issued any specific licenses authorizing transactions otherwise prohibited by the Rough Diamonds (Sierra Leone & Liberia) Sanctions Regulations, 31 CFR Part 591. The expenses incurred by the Federal Government in the 6-month period from January 18 through July 17, 2003, that are directly attributable to the exercise of powers and authorities conferred by the declaration of a national emergency with respect to Sierra Leone and Liberia are reported to be approximately \$50,000, most of which represent wage and salary costs for Federal personnel. Personnel costs were largely centered in the Department of the Treasury (particularly in the Office of Foreign Assets Control, the former Office of the General Counsel), the Bureau of Customs and Border Protection at the Department of Homeland Security, the Department of State, and the Department of Commerce.

3. Sierra Leone is at peace and the RUF have disbanded. In the near term, the country can expect political security due to the 13,000 United Nations peacekeepers deployed at strategic locations in the capital, Freetown, and around the country. However, future stability depends on ongoing reform of the Sierra Leone armed forces and police so that they are able to replace United Nations peacekeepers as they withdraw over the next 2 years. Moreover, the economy has barely begun to recover from a decade of civil war, devastation, and neglect, and many Sierra Leoneans have no jobs and little livelihood. Life for many will remain difficult in coming years as economic redevelopment measures gain momentum.

A significant portion of the mining and trading of diamonds remains outside Sierra Leone government control. Liberian President Charles Taylor, who supported and sustained the RUF during its campaign against the Sierra Leone government, continues to defy United Nations Security Council sanctions. He continues to trade in illegal diamonds smuggled from Sierra Leone, smuggle illegal arms, support RUF elements within Liberia, and pose a threat to security and the fragile stability in Sierra Leone. Although he is now under immense pressure from rebel forces within Liberia, the outcome of the conflict at this juncture is uncertain. Until the threat to Sierra Leone from Charles Taylor is eliminated, and the mining of Sierra Leonean diamonds is brought under control, the threat to U.S. foreign policy remains, and Executive Orders 13194 and 13213, as amended, will remain in effect.